

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Industrial Promotion – Extension of certain incentives under Industrial Investment Promotion Policy (IIPP) 2010-15 to M/s Procter & Gamble Home Products Ltd (P&G) to setup a Fabric and Home Care, beauty Care, Oral Care, Baby Care and Feminine Care unit at Penjerla Village of Kothur Mandal, Mahaboobnagar District – Orders- Issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Ms.No. 49

**Dated:04.06.2013
Read the following:-**

1. From M/s Procter & Gamble Home Products Ltd (P&G), Letter dt: 28.03.2012.
2. The State Investment Promotion Committee Meeting held on 16.06.2012
3. The State Investment Promotion Board Meeting held on 27.06.2012

>><<

O R D E R:-

In the reference 1st read above, M/s Procter & Gamble Home Products Ltd has informed that they proposed to setup Fabric and Home Care, beauty Care, Oral Care, Baby Care and Feminine Care unit at Kothur(M), Mahaboobnagar District with an investment of Rs 370 Crores.

2. M/s Procter & Gamble Home Products Ltd, M/s Procter & Gamble Home Products Ltd has requested to Government for the following Incentives/ benefits:

- (a) 100% Reimbursement of registration cost and stamp duty.
- (b) Infrastructure like Roads of length 1.5 KM, with 80 feet widening and back top costing around Rs. 4 crores
- (c) Availability of power at 132 kva with 8 kms line costing around Rs.10 crore.
- (d) Availability of water for the project upto 4000,000 liters per day from viable sources. Laying of water pipeline from source to the site costing around Rs. 1.5 crore
- (e) Fixed power cost reimbursement @ 0.75 per unit (upper ceiling) on the proposed revised rates (2010-11) for 5 years from the DCP.
- (f) Reimbursement of 75% VAT/CST for a period of 10 years from the DCP as offered by Madhya Pradesh Government.
- (g) Any new special incentives which may be considered or announced by Govt of AP after signing the agreement, shall be provided P&G and its associated companies provided that the said incentives are more beneficial than the incentives provided to P&G and its associate compnies at the date of signing this agreement
- (h) A.P. Industrial Policy identifies shampoos and soaps except for those, having ISI mark, as ineligible for incentives. P&G and its associate companies are a global company and their products comply more than that of ISI standards as they sell and compete across 80 countries and hence P&G and its associate companies should be allowed self-certification as per IIPP 2010-15 policy.

(P.T.O)

3. In the reference 2nd read above, the State Investment Promotion Committee (SIPC) have discussed the proposal of M/s Procter & Gamble Home Products Ltd at Penjerla Village of Kothur Mandal, Mahaboobnagar District and recommended the following incentives, subject to condition that the company should obtain ISI Certificate with in two years period from 16.06.2012 for qualifying for incentives under IIPP 2010-15:

- (a) 50% VAT & CST reimbursement for a period of 5 years from the date of commencement of commercial production (DCP).
- (b) All other incentives as per IIPP 2010-15 policy.

4. In the reference 3rd read above, the State Investment Promotion Board (SIPB) has discussed the proposal of M/s Procter & Gamble Home Products Ltd at Penjerla Village of Kothur Mandal, Mahaboobnagar District in detail and decided to extend the following incentives as recommended by the SIPC:

- (a) 50% VAT & CST reimbursement for a period of 5 years from the date of commencement of commercial production (DCP).
- (b) All other incentives as per IIPP 2010-15 policy, subject to verifying the Certification insisted by other states, while extending incentives to their plants and imposing the same certification for the facility proposed in Mahaboobnagar.

5. Government after careful examination of the proposal and the recommendations of the State Investment Promotion Board, hereby extend the following incentives to M/s Procter & Gamble Home Products Ltd at Penjerla Village of Kothur Mandal, Mahaboobnagar District for their proposed Fabric and Home Care, beauty Care, Oral Care, Baby Care and Feminine Care unit, under Industrial Investment Promotion Policy 2010-2015, subject to verifying the Certification insisted by other states, while extending incentives to their plants and imposing the same certification for the facility proposed in Mahaboobnagar.

- (a) 50% VAT & CST reimbursement for a period of 5 years from the Date of Commencement of Commercial Production (DCP).
- (b) All other incentives as per IIPP 2010-15 policy, which include:
 - (i) 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
 - (ii) 100% reimbursement of Stamp duty for Lease of Land/Shed/buildings and also mortgages and Hypothecations.
 - (iii) Fixed power cost reimbursement @ Rs.0.75 per unit (upper ceiling) on the rates (2010-11) for 5 years from the date of commencement of commercial production. In case, decrease in Power Tariff, the reimbursement will be reduced proportionately.
 - (iv) Infrastructure like roads, power and water will be provided at door step of the industry for standalone units by contributing 50% of the cost of infrastructure from IIDF with a ceiling of Rs.1.00 Crore, subject to **(a)** the location should be beyond 10 kms from the existing Industrial Estates/IDA's having vacant land/shed for allotment and

- (b) cost of the infrastructure limited to 15% of the eligible fixed capital investment made in the industry.
- (v) 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakhs.

6. The Industry shall provide at least 80% of employment to the candidates belonging to Andhra Pradesh State for becoming eligible to the above incentives.

7. The Commissioner of Industries, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**K.PRADEEP CHANDRA
PRINCIPAL SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To

The Commissioner of Industries, A.P., Hyderabad.
M/s. Procter & Gamble Home Products Ltd., through the Commissioner of Industries, AP, Hyderabad.

Copy to:

The Revenue (CT) Department.
The Revenue (Registration) Department.
The Energy Department.
The Irrigation (Reforms) Dept.
The Law(J) Department
The Accountant General, Andhra Pradesh, Hyderabad
The Commissioner of Commercial Taxes, Hyderabad
The Chairman & Managing Director, APTRANSCO., Hyderabad
The Managing Director, APEPDC Ltd., Visakhapatnam
The Vice Chairman & Managing Director, APIIC, Hyderabad.
The District Collector, West Godavari District., Eluru
The General Manager, Dic, Eluru, West Godavari Dist.
P.S. to Principal Secretary to Chief Minister
P.S. to Hon'ble Minister(Major Industries)
P.S. to Chief Secretary to Government
P.S. to Principal Secretary to Government & CIP, Industries & Commerce Dept.
SC/SF

// FORWARDED:: BY ORDER //

SECTION OFFICER